

BEN



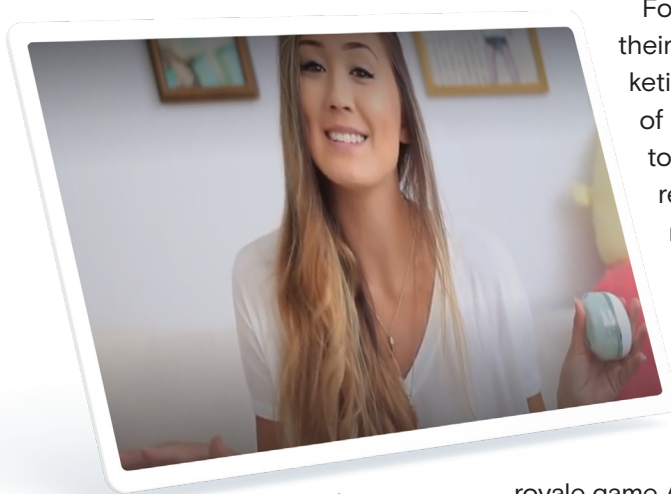
CUSTOMIZED AI IS THE FUTURE OF INFLUENCER MARKETING

AI and deep learning are helping marketers predict and measure the success of influencer marketing campaigns with unprecedented speed and accuracy.



Consumers are finding ways to increasingly insulate themselves from advertising. The growth of influencer content and ad-free streaming platforms have significantly reduced the number of commercials people encounter, and that number is expected to drop even further as Apple, Disney, and Warner Media, among others, all join with their own offerings.

Ad skipping is also now at an all-time high, with 86% of television viewers reporting that they habitually skip ads, and 47% of global internet users using ad blockers⁹.



LaurDIY - Beauty

For many marketers, the solution has been to weave their brands into entertainment itself—making their marketing messages impossible to skip. Historically, this type of marketing has been most associated with increasing top-of-funnel marketing KPIs like awareness or brand reputation. But technology and digital platforms have made it possible for marketers to focus on lower-funnel metrics—namely, clicks and conversions. Influencer marketing—which integrates a brand directly into an influencer’s videos, posts, or stories—is particularly effective for hitting these lower-funnel KPIs, which have far more trackable ROI.

For example, Electronic Arts launched their battle royale game Apex Legends exclusively through influencer marketing in early 2019, vaulting it immediately to the #1 trending spot on Twitch, and driving 60 million views and 25 million downloads in its first week.

Beauty brand Estée Lauder announced in August 2019 that it would be spending 75% of its digital marketing budget on social media influencers, a huge company shift away from digital ads.

Influencer marketing has become an essential marketing strategy for many leading brands. Yet, with hundreds of thousands of influencers to choose from (and more joining their ranks every day), it's nearly impossible for marketers to guess which ones will drive measurable results.

Enter the power of AI. With AI and deep learning, decision-making becomes faster and smarter than ever. **Deep learning analyzes structured and unstructured data to help marketers identify the best influencers for their campaigns, and accurately predict how many conversions each influencer will generate, reducing wasted budget and ensuring a higher ROI.** According to a 2018 eMarketer study, AI is the most powerful, yet underused, technology in all of advertising.

Through examples and case studies, this whitepaper demonstrates the role that AI and deep learning play in not only identifying the right influencers for a brand's campaign, but also how these technologies enable precise forecasting, increase ROI on influencer marketing spend, and deliver more meaningful insight into campaign performance.

AI Glossary

Unstructured data: Data that does not live in a spreadsheet or database. Examples include the audio and video data on film, TV or social media, and large blocks of text, books, or emails.

Structured data: The data we all typically work with—performance and ROI tracking spreadsheets, information about sales and financial performance, or databases about viewership or engagement.

Deep learning: A form of machine learning designed to operate more like the human brain. Deep learning can process large amounts of unstructured data to create a more flexible and precise algorithm.

The Massive Scale of Social...



95M

photos and videos
uploaded to
Instagram daily



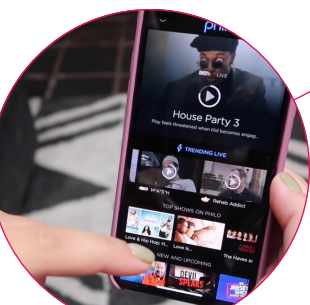
500

hours of video
uploaded to YouTube
every minute



5,787

tweets posted
per second



...and a Shrinking Appetite for Ads

66.5%

of media consumed
was ad supported
in 2017

42.5%

of media consumed
will be ad supported
in 2021

FINDING INFLUENCERS

The Power of Connection and Trust

Effective integrations start with the right influencers. YouTube research shows that influencers are better at increasing brand familiarity and equally good at driving purchase intent as traditional advertising. But why are influencers so effective at selling product? YouTube attributes those figures to the bonds that creators forge with their viewers.

Cassey Ho, a popular Pilates instructor with 4.72 million YouTube subscribers, says: “I see my fans as my family. When I’m choosing a brand to work with, I ask myself: ‘Is sharing this brand going to bring value to my family?’ If the answer is ‘no,’ the money doesn’t matter, because once I lose that trust, it’s over. Advertisers aren’t just paying for my reach, they’re paying for that trust. I would never break it.”

This deep level of trust makes influencers the ideal pitch people for products. But the inevitable question is how to select the right ones for a specific brand—a Herculean task considering the massive number of influencers, each occupying their own distinct niche.

But AI makes processing this data and arriving at an informed decision easy. “A human can’t analyze the hundreds of millions of videos produced by the hundreds of thousands of influencers out there,” says Tyler Folkman, head of AI at Branded Entertainment Network (BEN). “But AI can. It will continue to learn to make better decisions with more data.”

AI brings science to the art of advertising, helping brands identify the influencers best suited for their KPIs, whether by views, clicks, or conversions.



Philo and Chatbooks Boost Sales with AI

Philo

When Philo launched in November 2017, the streaming TV service had a very specific demographic target. But through working with BEN, Philo learned it was focused on a suboptimal audience, and thus using the wrong influencers.

“We created a custom AI algorithm to analyze Philo’s audience and campaign data. We found that if they started targeting moms in their late 20s through early 40s and mentioning their favorite show in their brand integrations, their conversions would increase by about 50%,” says James Myrick, vice president of client service and direct response at BEN.

Philo completely revamped its strategy based on this information and started targeting influencers popular among moms. The campaign was also dynamic: The custom algorithm gathered and processed new data while the campaign was running, identifying the influencers generating the most conversions, and allowing Philo to optimize the campaign in real time. Click-through rates jumped by 172% and drastically reduced the company’s cost per subscription over the course of the campaign.

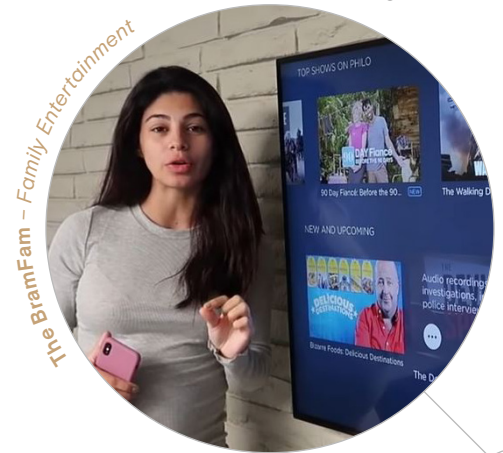
“The AI was able to look at a lot of different influencers and dive really deep into the data,” said Nii Addy, head of marketing at Philo. “By looking at the composition of the videos, we could get beyond what we typically track in terms of those top level KPIs, and really understand what it is about the content that’s driving the behavior we want to see at the end of the funnel.”

Chatbooks

BEN had similar success working with Chatbooks, a service that lets users create photo albums from their smartphone pictures. BEN’s AI revealed that influencer channels with interior design and family-related content would perform the best, and sure enough, the subsequent brand integrations increased their customer acquisition from influencers by 6x and led to a 1.5x organic lift in customer acquisitions.

Because BEN’s AI could accurately predict expected views per influencer, Chatbooks was able to negotiate better pricing and increase their ROI. Over time, the campaign proved even more valuable as many of the customers became repeat buyers.

“The ability for AI-driven influencer marketing to scale has been exceptional,” said Gerardo Castillo, director of performance marketing at Chatbooks. “This has become one of our best-performing channels in 2019.”



By pivoting their target audience to moms and family vlog content based on the AI’s recommendations, Philo saw massive growth including:

10x increase in subscription rate
172% increase in click-through rate



AI predicted that interior design, mom and family content would be some of the best performing verticals for Chatbooks, and the results proved it. Within a month they saw:

6x increase in customer acquisition from influencers
1.5x lift in organic customer acquisition

Why Influencer Marketing Needs to Prioritize Transparency and Channel Health



Ricky Ray Butler
CEO of BEN

Influencer marketing is fully plugged into the global economy and powered by the same internet culture that created it. Companies have invested significant ad spend in the community thanks to the authenticity of influencers and the loyalty of their audiences. Meanwhile, more than 15% of marketing budgets are wasted due to influencer fraud°. Inflated followings, bot-driven engagement, regulatory violations and poorly executed influencer content are just a few of the risks that brands, influencers and social platforms all face, and it's time for industry leaders to adopt a system of transparency and technology to combat it.

° Source: Cheq



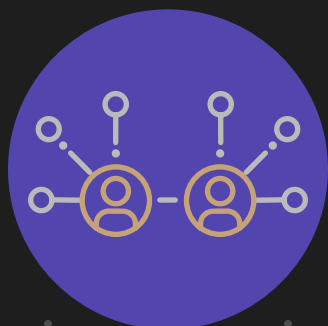
Bot or not? AI Can Help

Channel health is critical to campaign success.



LEAN INTO TECHNOLOGY

Artificial Intelligence enables brands to analyze millions of pieces of unstructured and structured data at scale, and from it draw the best strategy for selecting influencers. In my own experience, I've seen the impact of AI in discovering and vetting the authenticity of influencers, while also streamlining analyses for post-campaign brand affinity and ROI. As a result, brands avoid hemorrhaging money on partnerships that won't drive results.



FOCUS ON CHANNEL HEALTH

While bot percentages are one indicator of a channel's health, it often isn't the most important one. It's therefore critical that brands look past the existence of bots to understand channel health at large. AI is essential to do so at scale. The end goal should be to analyze engagement history and establish the quality and growth of an influencer's interactions over time, including likes, shares, and comments. As Instagram influencer Arie's unsuccessful foray into selling her own clothing line shows, reach alone doesn't necessarily deliver business value. In Arie's case, a BEN AI-driven analysis of her Instagram channel would have shown that 25% of her followers were bots. In addition, the analysis would have highlighted that her channel's health was weak—her Instagram Stories received a small number of views relative to her follower count, and extremely low engagement.



STRENGTHEN INDUSTRY CONNECTIVITY

Everyone involved in influencer marketing needs to make moves to collectively protect the industry from nefarious activities – and keep each other accountable for ethical business practices. As we work towards standardizing industry practices, all parties should prioritize creating internal systems for accurate vetting, reporting, and data-sharing. They should consider adopting technologies like AI now to ensure authentic engagement and channel health well into the future.

Collaboration between platforms, marketers and influencers is a long-term, sustainable business strategy.

At the same time, employing AI to analyze channel health will help influencers gain the trust of more marketers and consumers. The bottom line: data transparency and technology will lead to a rewarding future defined by more real people engaging with influencers and the brands that support them.

MEASUREMENT

Finding Truth in Brand Integration Metrics

For decades, marketers would simply identify a target audience and serve it ads, using only reach and impression numbers for metrics. Although those metrics can provide marketers with important insight, they reveal less about how effective the advertising is at driving business results, let alone why it's effective or not.

Using AI to analyze influencer accounts empowers marketers to gain insight beyond reach to track valuable information, such as high-quality views and engagement. AI provides a more accurate prediction of how well a brand integration will perform, and which views will provide the most value to a brand.

"Marketers used to rely on relationships with certain influencers and industry knowledge to plan a campaign. They would try to calculate KPIs, but it was very back-of-the-envelope math," said Jake Maughan, BEN's head of execution and brand integration. "With AI, we don't have to do that. The AI combs through the data and identifies the content and influencers we need to align with to meet our KPIs—it's automated and much more accurate."

Influencer marketing was once a black box, but AI has allowed for more direct measurement. Marketers can now focus on the audiences, channels, or messages driving the highest clicks or conversions for their brands, optimizing campaigns over time to get the most value for their investments.

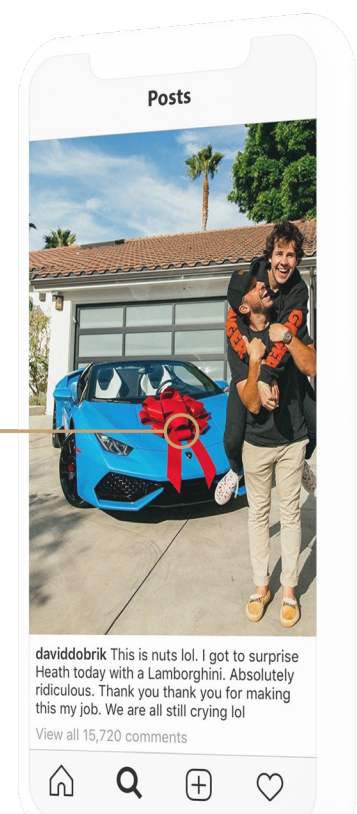
Predictive Results

Select the best influencers for campaigns.

The Rise of AI

*Marketing leaders expect their use of AI to increase by **60%** by 2022.*

Source: Deloitte CMO Survey



AI Predicts Success for Apex Legends Launch

Apex Legends

BEN worked with Electronic Arts and Respawn Entertainment to help the video game developers execute the secret launch of Apex Legends, a new title in the massively popular battle royale genre. To kick off the campaign, BEN identified 60 global gaming influencers who could drive the most views and downloads of the game.

Through a series of creative activations, including early access to Apex Legends for the influencers, the campaign resulted in more than 60 million views and 25 million downloads in the first week, beating out the game's top competitor, Fortnite. Prior to the campaign, BEN's deep-learning model predicted the results with precision. **Of the 60 million total campaign views, 31.6 million were from sponsored content on YouTube, and BEN's YouTube prediction was off by fewer than 22,000 views—a 99.9% accuracy rate.**

This massive global campaign, which vaulted Apex Legends to the #1 trending spot on Twitch, was entirely driven through influencer marketing with no budget spent on traditional ad formats like TV, pre-roll, or banners.

A massive global launch focused uniquely on influencer marketing. Not only were the results incredible, the AI also predicted them precisely:

25M players in one week

#1 trending spot on Twitch



CAMPAIGN PERFORMANCE

Customization is the Ultimate Optimization

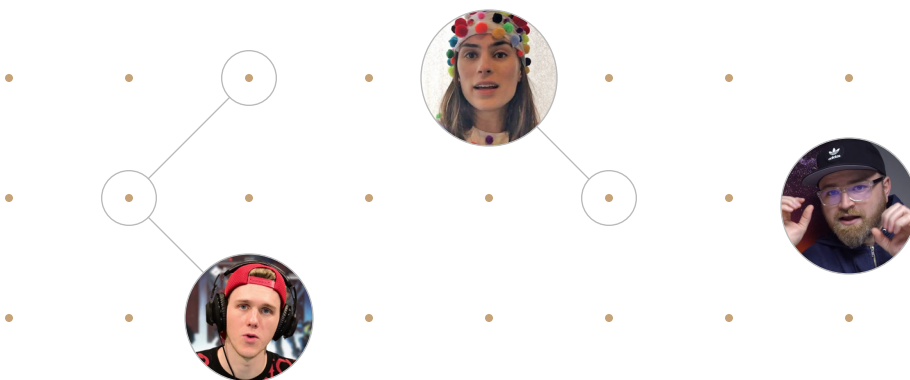
AI is even more powerful when tailored to a brand's or campaign's individual needs. A customized algorithm combines more than 10 years of BEN influencer marketing data with a client's unique first-party data—and it allows for even more accurate predictions and smarter insights.

Built around a brand's proprietary data, customized algorithms allow BEN to predict which channels will perform the best for that brand's specific objectives. **Marketers don't need to rely on broad demographics when planning a campaign (and just hope it works out); they can find the most lucrative audience for their products or brands, and reach them in the most effective way to drive results.** "AI helps marketers analyze the influencer marketing space at scale, and in a customized fashion," says BEN chief strategy and client service officer Erin Schmidt.

AI also moves faster than any team of humans. Conducting this kind of deep statistical analysis would require an entire team of data analysts, running numbers constantly. AI can do it in seconds.

Feed the AI Beast

The more data you give AI, the better the results. So, an additional benefit to influencer marketing is that it yields far more usable audience and performance data than a similar spend on fewer TV ads. Not only is AI-powered influencer marketing better at converting customers, it will also help optimize future campaigns.



Swagbucks Goes Big with AI

Swagbucks, a service that rewards users for taking surveys and shopping online, has successfully scaled its influencer marketing program while maintaining consistent ROI, thanks to customized AI. By analyzing both the structured and unstructured data of past campaigns, the customized AI model accurately predicts conversions by channel. This allows the team to quickly sift through thousands of influencer channels to select only those that will drive enough conversion to fall below the brand's cost-per-acquisition targets. The approach ensures efficient campaigns and a consistent value for Swagbucks.

Based on AI predictions, Swagbucks has also been able to test variables within influencer videos to see if they help that channel outperform the AI's predictions. By adjusting variables such as the length of the brand integration or the influencer's word choice, Swagbucks has continued to optimize its campaigns even further.

This level of sophistication and efficiency has enabled Swagbucks' influencer marketing campaigns to amass more than 16 million views over a two-year period, resulting in 1 million attributable leads.

"Leveraging pre-made solutions from Google or Amazon can be a quick way to get started," says Alex McFadyen, senior vice president of technology at BEN. "But general solutions can't compete with a fine-tuned custom algorithm that's been trained for a brand's specific needs."

Incorporating customized algorithms requires a commitment to collecting data and monitoring and optimizing campaigns in real time. But when this commitment is made, the results are staggering.



Customized AI has helped Swagbucks use past campaign data to optimize future campaigns with remarkable results:

200M views over a two year campaign
1M attributable leads



Keeping Up with the Influencers



“AI is able to think like a human and scale like a machine, helping marketers optimize their influencer campaigns and make smarter investments than ever before.”

—Ricky Ray Butler, CEO of BEN



ben.productplacement.com



SalesOutreach@bengroup.com



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[Branded Entertainment Network](https://www.youtube.com/BrandedEntertainmentNetwork)

As far as marketers have come using AI to make better influencer marketing decisions, the world of influencers is constantly changing.

The future of marketing is about understanding what content and influencers work best, and predicting campaign results with greater precision. “Marketers need to understand where the content is going to resonate before it’s even created, and that’s where AI is helpful,” says Aaron Frank, senior vice president of marketing, insights, and strategy at BEN.

Marketing has always been both art and science—using creativity to craft compelling narratives, and using data to deliver it to the right audiences. The difference today is that AI augments both processes at scale, and with unprecedented speed and accuracy. It is possible to predict a campaign’s success more quickly and effectively, helping marketers save time and money. And marketers can measure the outcomes with surgical precision, providing a deeper understanding of what drives sales and what doesn’t.

The key for marketers is making sure they collect the right data from the beginning. McFadyen advises brands to start by using referrer and tracking links to develop better understandings of their customers’ paths to purchase.

Marketers should “make sure to track and attribute customers’ behavior, clicks, conversions, and routes to a brand’s site,” says McFadyen. “That is gold for any data-driven business. Marketers can’t optimize what they don’t measure.”

And as a brand’s data initiatives mature, they can collect deeper, more insightful bits of data—such as engagement and conversion rates—and incorporate AI to make sense of it all and help make business decisions.

“The world is moving toward bigger data, and faster changes,” Tyler Folkman says. **“There are more and more people trying to be influencers, more and more fraudsters trying to get money, and more and more platforms. It moves much faster than traditional marketplaces, and the only way marketers are going to scale and keep up with these changes is with AI and deep learning.** AI can actually adapt in real time to all these shifts in influencers and platforms, and keep up with what’s happening.”

The first step for marketers to improve influencer marketing performance: Expect more from campaigns. And with customized AI and deep learning, their expectations can now become a reality.